

Minnesota Forest Resources Council
Minutes
Grand Rapids Area Library
July 29, 2015

Members Present: Bob Stine (Chair), Wayne Brandt, Alan Ek, John Fryc, Shaun Hamilton, Darla Lenz, Bob Lintelmann, Tom McCabe, Bob Owens, Dave Parent, Kathleen Preece, Deb Theisen,

Alternate Members Present: Rick Horton (alternate member for Shawn Perich), Amber Ellering (alternate member for Forrest Boe)

Members Absent: Shawn Perich, Forrest Boe, Gene Merriam, Susan Solterman Audette, Greg Bernu

Staff Present: Calder Hibbard, Adam Barthel, Lindberg Ekola, Rachael Nicoll

Guests: Jennifer Corcoran (MN DNR), Jim Gries (USDA Forest Service), Pooja Kanwar (USDA Forest Service), Sharon Klinkhammer (USDA Forest Service), Jim Manolis (TNC), Rachel Peterson (MLEP), Dave Roerick (MFA), Dick Rossman (MN DNR)

Chair's Remarks

Bob Stine opened the meeting with introductions. He yielded time to Deb Theisen, the newly appointed MFRC Resort and Tourism Industry representative. Bob then noted MFRC staffing transitions: Dave Zumeta retired as Executive Director, and Calder Hibbard is Interim Executive Director until a permanent director is hired. The DNR Division of Forestry has selected four candidates. The search committee is working with Forrest Boe to schedule interview dates. Finally, Bob noted that he has submitted his letter of resignation as MFRC Chair. Kathleen Preece will soon apply to replace him.

Approval of Meeting Minutes*

Dave Parent approved, and Shaun Hamilton seconded, the meeting minutes. *The minutes were unanimously approved.*

Approval of Agenda*

Dave Parent approved, and Tom McCabe seconded, the draft meeting agenda. *The agenda was unanimously approved.*

Executive Director Remarks

Calder Hibbard noted the forwarded letter from the DNR Commissioner to the Minnesota federal delegation which provided information on the northern long-eared bat and a communication regarding the review period for the revised Minnesota Wildlife Action Plan on July 27 to Council members and alternates. Calder also spoke about the two-day MFRC meeting in September at the Cloquet Forestry Center. He announced that staff are planning a 20-year anniversary celebration at the September meeting. Calder yielded his time to Rachael Nicoll,

who spoke about the meeting logistics and field tour. She also announced the recent redesign of the MFRC website. The MFRC contracted with Robert Beets, an independent consultant who specializes in web design and life science communication, to complete the project. Robert will continue to work with the MFRC throughout the current fiscal year in order to complete additional communications work.

Committee Reports

Personnel and Finance

Bob Stine reported that the committee has not met. He announced that 20 people have applied to the MFRC Executive Director position since the original posting and subsequent reposting.

Site-Level

Dave Parent reported that the committee has not met. A two-day committee meeting will take place on August 10. The committee will discuss forest disturbance mapping and risk assessment and research prioritization, among other topics.

Landscape Planning/Coordination

Shaun Hamilton reported that the committee met on July 22. Lindberg provided revised minutes from the May 6 meeting and draft July meeting minutes as handouts. Shaun explained that the committee will continue to evaluate the landscape planning process and plan implementation. He also said the committee discussed the usefulness and benefits of the regional forest landscape plans to stakeholders.

Information Management Committee

Kathleen Preece reported that the committee met on June 8. The committee discussed federal catastrophic wildfire funding and the implementation of the forest industry competitiveness report recommendations. Pete Aube from Potlatch spoke about workforce development, especially in the Bemidji area. Gary Swanson, Chippewa National Forest silviculturalist, shared information about research projects on the forest, including a black ash/EAB study. Dave Parent and John Fryc both commented that Pete Aube's presentation was very interesting.

Written Communication to the MFRC

Bob Stine explained that the MFRC sent a letter and resolution to the Minnesota federal delegation in support of a separate budgeting process for funding the suppression of catastrophic fires by the USDA Forest Service. A representative from Congresswoman Betty McCollum's office replied to the letter and indicated that the congresswoman welcomes the MFRC's support of this effort and would be interested in working with the MFRC to host a roundtable discussion regarding these issues this summer.

Bob also noted that the budget line for the MFRC was part of the omnibus agriculture, environment and natural resources bill that Governor Dayton vetoed. Wayne added that the MFRC maintained its \$200,000 budget increase in the special session while the Division of Forestry budget increases largely remained unchanged as well. Wayne also described positive modifications to the Wetland Conservation Act. Overall, the session was good for forestry.

Alan Ek asked if the MFRC would receive the entire increase immediately. Calder Hibbard replied in the affirmative, but noted issues regarding DNR shared services. Bob Stine commented that these are DNR overhead costs that were included in the rationale for the MFRC budget increase in an initial budget resolution, but the language was excised. Amber Ellering added that these shared services costs have increased dramatically over the years. Alan requested that staff keep Council members informed about the outcome of this issue.

Introduction of new MFRC member

Bob Stine introduced Deb Theisen, the current MFRC Resort and Tourism Industry representative. Deb provided her background information and noted that she is a third generation resort owner. She explained that resorts are less abundant today. Tourism has decreased drastically and is less of a family-based business than it used to be. Many businesses cannot afford to operate year-round.

Committee of the Whole: Proposed resolution to undertake assessment of accomplishments in implementing forest industry competitiveness study recommendations*

Bob Stine provided background information on the MFRC forest industry competitiveness report. Calder Hibbard spoke about the MFRC and Minnesota Forest Resources Partnership's idea regarding the development of a report card that identified items for an implementation plan in order to prioritize actions to improve the competitiveness of Minnesota's forest products industry. He explained that the report focused on actionable issues.

Wayne Brandt provided information on the progress of implementing the report recommendations:

http://mn.gov/frc/docs/MFRC_POLICY_Forest_Industry_Competitiveness_Report_2014-12-01.pdf (recommendations start on page 6).

Wood Fiber Availability and Cost

The DNR budget increases should support action on Recommendation 1. Wayne was not aware of any action from neither the public nor private sector on increasing family forest outreach, the report's second recommendation. Some progress has been made on Recommendation 3. Wayne was not aware of any specific action on Recommendation 4. Some progress has been made on the thinning in the Fifth Recommendation, but it is limited by weather, sites, and markets. Shaun Hamilton expressed concerns about Recommendation 6. Minnesota is the only state that directs the influence of conservation easements on regressive tax law, which will limit conservation easements. Wayne explained that the lack of a tax bill precluded progress on Recommendation 7. Wayne was not aware of any action on Recommendation 8.

Cost of energy

Passage of legislation related to Recommendation 1 in a special session was the largest legislative victory for the forest products industry in years. The legislation will likely substantially reduce subsidization of residential and other commercial entities by industry. Success related to Recommendation 1 supplanted progress on Recommendation 2. Work on

Recommendation 3 continued. The Timber Producers Association has met with the Department of Commerce to determine if it would make economic sense to pursue Recommendation 4.

Workforce Development

Wayne was not familiar with actions taken on Recommendations 1 to 3. He noted that Pete Aube covered actions taken and actions still needed on Recommendation 4 at the Information Management Committee Meeting.

Environmental Review and Permitting

Wayne noted that there were some modifications to all decisions relating to peer review and economic analysis. Action on Recommendation 2a continues, but nothing specific on Recommendations 2b to d has occurred. Amber Ellering was not aware of any movement within the DNR Division of Forestry on this issue.

Taxation

There was no tax bill in the legislative session. Finally achieved Recommendation 1, but there was no work on Recommendations 2 and 3.

Transportation

In regards to Recommendation 1, the US Department of Transportation has communicated that it will not advocate for or against any changes in interstate truck laws. No action has occurred on Recommendation 2. Some work has been done on Recommendation 3. The DNR received an additional \$500,000 for road maintenance activities related to Recommendation 4.

Bob Stine commented on the solid progress made six months after the release of the report. Wayne added that the biggest disappointment in terms of implementation was the lack of a tax bill and resultant halt on SFIA revisions. However, Wayne is satisfied with the level of progress.

Kathleen Preece spoke about the MFRP's two-day conference in Baxter. The partnership completed a first quarter report card in April and discussed implementation progress and difficulties. She noted that many old forest industry competitiveness reports recommendations and report cards were not acted upon. To continue an evaluation of implementing the report's recommendations, she suggested possibly forming a committee responsible for continuing to produce report cards as part of the implementation strategy.

Kathleen made a motion to approve a resolution to develop a report card regarding the status of the study recommendations as well as an updated implementation strategy for the recommendations that have yet to be acted upon. Dave Parent seconded the motion.

A discussion ensued about the optimal timing of the evaluation in preparation for the legislative session. Kathleen will have a summary report completed by the November 18 Council meeting in order to have the support and suggestions of the council prior to the session.

Rick Horton offered an amendment to the motion to strike language at the end of the resolution as we still may need to act on recommendations that have seen progress. Kathleen agreed with this amendment.

Bob Owens added that we could market this report to business owners as the benefits and shortcomings of doing business Minnesota. Bob Stine responded that there was originally a “business climate” section in the report, and this report card may contribute to this piece.

Darla Lenz asked if there is a written implementation strategy. Kathleen responded that the partnership created a strategy at the Baxter conference for the most actionable recommendations. A renewed effort would update this document.

The motion as amended and carried unanimously.

Preliminary results from guideline monitoring conducted in 2014

Amber Ellering introduced Dick Rossman. She said that Dick will provide information on the 2014 monitoring season. Dick explained that monitoring data hasn’t been available since 2011 due to budget restrictions. The preliminary results presented are from data collected in 2014, which included harvesting data from the past three years.

Monitoring on 93 sites occurred in three watershed units: Lake Superior North and South, Rum River, and Mississippi Headwaters. The goal is to collect data on 30 sites per watershed. A range of ownerships within the watersheds is pretty well represented within the sites.

Statewide, 92 percent of filter strips were compliant with the forest management guidelines. Compliance has increased over time. In response to questions, Dick explained that he has not yet analyzed the data to determine differences in compliance by ownership and harvest type. Dick explained that over half of non-compliant filter strips are affected by landing location. All filter strips showed no evidence of erosion and sediment reaching a wetland or waterbody.

Riparian management zones (RMZs) generally increased in the 2012 revision of the site-level guidelines, but the monitoring results are based on the 2005 standards. The statewide compliance for sites with RMZs was 78 percent. There has been a continuous, upward trend in compliance statewide. However, the Rum River Watershed has relatively very low RMZ compliance. Some of the noncompliant sites statewide may be within the margin of error.

Roads, skid trails, and landings made up 30, 67, and three percent of all roads and crossings, respectively. Most crossed non-open water (NOWW) wetlands. All stream crosses were judged “not avoidable.” Rutting occurred on 15 percent of NOWW crossings. In response to a question, rutting does not seem related to time of year, according to the preliminary data. “Avoidable” crossings comprised 22 percent of all crossing. The reasons for avoidable crossings were consistent with previous years; however, operators may not realize that they are crossing a wetland in winter. Almost all (95 percent) of approaches monitored met guideline recommendations. The primary reason for noncompliance was lack of erosion control.

Noncompliant landings comprised 13 percent of all landings. Those were landings that were located partially or entirely in a wetland, filter strip, or RMZ when an alternative location was available. Dick intends to gather information on landing location decisions.

Leave trees are desired on all harvest sites. Only clear cut harvests are monitored as trees are maintained as part of the silvicultural prescription on other harvest types. For the sites in which leave tree recommendations applied, 87 percent met the minimum leave tree percentage recommended.

Infrastructure compliance rates significantly improved with the 2012 standard versus the 2005 standard within all watershed units monitored. The statewide mean percent infrastructure is 2.2 percent.

Dick explained that the MFRC recommended rutting monitoring on a site-wide basis rather than by feature. Rutting was observed on 22 percent of sites monitored. The average percentage of rutting on the sites was 0.3 percent. 61 percent of rutting occurred at crossings. Bob Owens asked if there is an overriding document or guideline to encourage minimum rutting. Dick responded that landowners and loggers make these decisions. Planning is important, but immediate weather-based decisions are a challenge. Tom McCabe added that it can be difficult to determine if ground is actually frozen. In response to a question, Dick said that he has not yet determined the correlation between the seasonality of a sale and rutting. He added that rutting is typically restricted to a small number of sites, and rutting is generally localized on these sites.

Overview of MFA's Call Before You Cut and Boots on YOUR Ground Programs – David Roerick
Kathleen Preece introduced Dave Roerick, Minnesota Forestry Association (MFA). Dave explained that, historically, outreach has been difficult for MFA. The organization has strived to determine advocacy methods to reach landowners and increase their involvement in private forestland management.

MFA received a \$10,000 grant to support outreach. Applicants paid a \$50 fee to work with a consulting forester for several hours. The foresters spoke with the landowners solely about their individual management interests to create a collaborative atmosphere. The participants provided very positive feedback about the experience and felt energized afterwards. This enthusiasm spread to the landowners' social circles. However, MFA found that landowners do not demonstrate interest in woodlot management unless they are already interested in forest management opportunities.

MFA is currently working to improve its ability to work with landowners by paying consulting foresters and utilizing the landowner fee. The grassroots effort is working out quite well. MFA is exploring other funding opportunities and is looking to partner with other organizations to improve the efficiency of management activities. MFA is also considering attending township meetings to communicate directly with landowners about the program

Rick Horton noted that the data show that private landowners are most interested in managing their forests for wildlife benefits, not necessarily forest management and economics. He suggested that the consulting foresters consider this. Rick also mentioned cost sharing opportunities for non-commercial wildlife management in forests.

Bob Owens asked if consulting foresters are aware of markets for secondary forest products. Dave responded that the foresters possess a variety of skill sets, but they are working to fulfill the needs and requests of the landowners first and foremost. Bob added that many secondary forest products manufacturers are local and low-profile. Dave said he would welcome any opportunities to connect landowners with niche markets.

Bob Stine inquired about the landowners' transition from none to almost no forest management to working with consulting foresters. Dave replied that survey data indicate that the landowners generally did not feel pressured to pursue a certain type of management or sell certain products from their forestland. Dave also spoke about the new MFA "Call before you cut" program which allows landowners to ask questions about forest management for free.

Dave Parent commented on the importance of certified, official plans and noted that only a portion of consulting forests are certified to write them. Rick agreed that this is a bottleneck. Darla Lenz added that Forest Service employees could not write the plans. Dave Roerick replied that MFA needs to determine if there is the capacity to complete certified plans. Bob Stine noted that there seems to be opportunities for this. Rachel Peterson noted that the American Tree Farm system has certified plans. Lindberg Ekola added that an update on the PFM program and the landowner handbooks at the next meeting might be helpful. Bob Stine said that the MFRC should continue to follow this outreach program. Dave noted that MFA is looking to expand Boots on YOUR Ground.

National Forest Land Management Plans Under the 2012 Planning Rule

Darla Lenz introduced Sharon Klinkhammer, NEPA coordinator and planner for the Chippewa National Forest (CNF). Darla explained that an update of the National Forest Management Plans hasn't occurred in 11 years, and a new planning rule in 2012 changed the planning process. These changes and the release of the updated Northeast Landscape Plan and update of the North Central Landscape Plan make the presentation of this information timely.

Sharon said that a 2012 review found that half of all national forest plans were past due the 15-year revision requirement. A national revision effort prioritizes overdue forest plans. The revision of all Region Nine plans took place between 2004-2009. The revision of the CNF and Superior National Forest (SNF) plans may take place between 2018-2020.

The new planning rule maintains the former NEPA process, plan structure, and resources available. Changes include: increased public involvement, stronger emphasis on adaptive management, incorporation of climate change consideration, an all-lands approach for landscape restoration, and new monitoring requirements. The CNF is modifying its monitoring plan to 1) incorporate watershed conditions, species of conservation concern, and others; 2) to

improve feasibility; 3) invite stakeholders, including a representative of the North Central Planning Committee, to participate in the planning process; and 4) prepare for future revisions. Pooja Kanwar explained that the SNF is pursuing similar modifications as well as an information needs assessment.

Rick Horton asked if the new rule will streamline or lengthen the process. Sharon replied that the process is anticipated to take 3-4 years, but the previous CNF and SNF planning process occurred over more than four years. The CNF is better positioned now in regards to data. She added that she does not anticipate that the planning process will not begin here until the revision of the outdated plans is complete and funds are available.

Amber Ellering asked for parting advice on engaging stakeholders in the planning process. Sharon replied that there will be several notifications announcing public meetings to stakeholders. Engagement will be a very important piece of the planning process. Darla added that the monitoring plan modification process is a very time-sensitive engagement piece.

Shaun Hamilton commented on the potential responsiveness of the revised plan on a stand - level. This is probably the first time regional-level research is available from climate change studies. Pooja added that the climate change-related portions of the plan will have more regional level goals and strategies. Lindberg Ekola noted that the economic analysis from the North East Landscape Plan will cover the North Central planning process. Shaun concluded that he hopes the regional landscape plans will be more in sync in relation to data and timing.

MFRC Member Comments

Rick Horton, alternate for Shawn Perich, thanked everyone. He appreciated the discussion about the valuation of conservation easements. It has a big impact on the Grand Rapids area. The county has to make up the revenue from somewhere. Townships with few private lands may go bankrupt. This could be potentially devastating.

Bob Stine thanked Council members for being such great participants during his tenure in the past four years. He expressed gratitude for the opportunity to serve as MFRC Chair.

Wayne Brandt moved, and Darla Lenz seconded adjourning the meeting. *The meeting was adjourned at 2:28 p.m.*